



ENVIRONMENTAL PROTECTION AGENCY

Office of Administration and Resources Management



Real Property Efficiency Plan

FISCAL YEAR 2016-17



EPA Real Property Efficiency Plan Fiscal Year 2016-17

Cover: Artist's rendering and photograph of future workspace, under pilot phase of revised EPA space design standards at the William Jefferson Clinton Federal Building, Suite 3351, at EPA headquarters in the District of Columbia.



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INTRODUCTION

The mission of the U.S. Environmental Protection Agency is to protect human health and the environment. The EPA's mission is carried out in 135 office facilities and laboratories located throughout the United States. The EPA continues to evaluate its real estate portfolio – both office space and laboratory facilities – in order to make cost effective recommendations for the future, ensure the efficient use of government resources and ensure the long term sustainability of our facilities. Using a national approach, engineering analyses and an agency-wide office space standard, EPA has amassed considerable space reductions over the past four years.

At the end of fiscal year 2015 the EPA's Reduce the Footprint Policy-applicable real property portfolio of office and warehouse spaces was composed of approximately 410,000 square feet of EPA-owned space, 4.96 million usable square feet of General Services Administration-leased space, and zero SF of direct-leased space (Table 1). This footprint comprises the EPA's RTF baseline. The EPA's real property portfolio is relatively small in comparison to those of other federal agencies. The EPA has limited authority to manage its real property portfolio. For example, the EPA does not have tools such as enhanced-use lease authority, construction/purchase authority, or direct-lease authority (although direct-lease authority has been temporarily granted in a few instances). The EPA does, however, have the ability to return GSA-leased space to GSA at the end of a lease term or, if the lease is severable and marketable, make blocks of space available to GSA. While the EPA does have authority under the Comprehensive Environmental Response, Compensation, and Liability Act to seize property abandoned by a Potentially Responsible Party, the agency serves as a steward only during remedial response actions and does not consider these properties to be part of its real property portfolio.

Table 1: EPA Reduce the Footprint Portfolio Baseline Summary by Use, FY2015

| Property Use | Direct-Lease Space * | Owned Space | GSA-Owned and -Leased Space | All RTF Space |
|--------------|----------------------|-------------------|-----------------------------|---------------------|
| Office | 0 SF | 320,514 SF | 4,581,274 USF | 4,901,788 SF |
| Warehouse | 0 SF | 87,413 SF | 375,294 USF | 456,707 SF |
| Total | 0 SF | 407,927 SF | 4,956,568 USF | 5,358,495 SF |

*The EPA has direct leasing authority for its Human Studies Facility in Chapel Hill, North Carolina. This is considered special use space and therefore is not included in the RTF plan.

Over the past six fiscal years the EPA has executed an aggressive strategy of space reduction and consolidation, driven by the agency's dedication to its environmental mission and a significant reduction in the number of EPA employees from 17,278 full-time equivalents in FY2010 to 15,335 FTEs in FY2015, an 11.2 percent reduction in workforce. The EPA's space-reduction efforts result in significant avoided lease costs. The agency also avoids costs by discontinuing upgrades and investments in real property assets scheduled for disposal in the near future.



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ROLES AND RESPONSIBILITIES OF SENIOR OFFICIALS

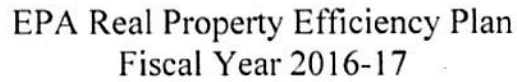
The Office of Administration and Resources Management manages real property assets in support of the agency's mission across 10 Regions and 13 Program Offices nationwide. The assistant administrator for OARM serves as the EPA's senior real property officer and asset manager for the entire agency, although some authority is delegated. The SRPO's authority to set real property policy, to request leased office and laboratory space from GSA, and to accept titles and record deeds on the Agency's behalf is delegated to the director, Office of Administration. The chief financial officer of the Office of the CFO has limited involvement with real property decisions at the EPA.

The approval procedures for capital construction and leasing projects are governed by the estimated cost and type of the project. New construction projects are funded from a specific Buildings and Facilities appropriation on a case-by-case basis. For new construction projects, the Real Property Services Staff office develops a program of requirements based on input received from various stakeholders, including the program or regional client; Safety and Sustainability Division; Security Management Division; and Office of Environmental Information. RPSS prepares a draft POR used for developing a cost estimate. The EPA program office requesting the project and the EPA stakeholders listed above conduct a formal review of the draft and are permitted to submit additional comments.

Once the project is approved and funded by appropriation, the design phase begins, and the EPA conducts additional analytical studies to provide more detailed cost estimates, implementation options, design directives, and scheduling and phasing plans before the project's construction phase. The EPA also performs a lifecycle cost analysis for all new construction to review the impact of incorporating energy conservation measures into the design and construction process. The EPA includes the analysis as part of the initial project submission process, and the final project reflects these considerations.

The EPA identifies repair and improvement requirements as part of the short-range planning goals. The agency usually describes projected repair and alteration needs in the facility condition assessments and master plans. Condition assessments, which occur periodically, detail repair and improvement needs based on two categories: architectural/structural and mechanical, electrical, and plumbing systems. The EPA reviews repair and alteration needs annually for funding.

Prioritization is the process by which appropriated B&F funding is allocated to repair and improvement projects. Congress determines the amount of B&F funds appropriated for the upcoming year based on the budgetary requirements the EPA submits. To initiate the prioritization, the Office of Administration issues an annual call letter to regional and program offices. Using the request form as a guideline, requests, the facility managers develop a prioritized list of projects for the next funding cycle. Each program or regional office blends the requests from all facilities under its control into a single prioritized list and forwards it to the Office of Administration for review, verification and final ranking of the submissions from all the offices. After B&F review, the Regional B&F and SSD staff assign a value (1-100) to each project based on B&F criteria then the Office is responsible for scoring. SSD reviews security projects



- Proposed budget for the current FY (current FY plus 2 through 5 years) for Director of Office of Administration, approved
- Proposed operating plan for the current FY (current FY plus 1 year)
- Proposed operating plan for the current FY
- List of previous year's (most recently completed FY) projects

PORTFOLIO STATUS

The EPA's real property portfolio is composed primarily of office, laboratory, and warehouse space that is EPA-owned, leased through GSA, or leased directly from another property owner (direct lease). The agency's space needs are largely driven by regional offices, which house about one-half of the EPA's employees in 10 regions, and agency laboratories, which are special-use spaces that must accommodate extensive scientific equipment and specialized laboratory processes.

Since the issuance of the Freeze the Footprint policy in FY2012 and through FY2015, the EPA has continually pursued an aggressive space reduction strategy that has led to the release of 248,854 SF of office and warehouse space across regions and program offices. In addition to reductions associated with the FTF policy, in FY2015 the EPA consolidated its Environmental Chemistry Laboratory in Bay St. Louis, Mississippi, into existing EPA-owned space, resulting in a reduction of 26,785 square feet (SF) in laboratory space not covered under FTF reporting.

Based on the EPA's Federal Real Property Profile submissions and occupancy agreements with GSA, the agency reduced its FTF real property footprint by 248,854 USF through FY2015 from the FY2012 FTF baseline of 5,906,847 SF. These significant space reductions were possible because of the agency's longstanding efforts to reduce space and a significant reduction in the size of the EPA's workforce in recent years. The total reduction of the EPA's footprint through



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FY2016 is shown in Table 2. The EPA has reduced space in three regional offices and three warehouses in FY2016 for a total projected office and warehouse space reduction of 268,816 rentable square feet.

Table 2: Status of FTF and RTF Reductions, FY2012 – FY2016

| Actual Space Reductions | Square Footage |
|---|--------------------|
| Total Actual FTF Reductions, FY2012 Through FY2015 | 248,854 USF |
| Total RTF Reduction During FY2016 | 268,816 RSF |
| V Street Warehouse in the District of Columbia | 17,501 RSF |
| Kenwood Warehouse in Blue Ash, Ohio | 38,900 RSF |
| Denver Warehouse Consolidation in Denver | 641 RSF |
| John McCormack Building in Boston | 39,879 RSF |
| Hawthorne Center in San Francisco | 30,704 RSF |
| Potomac Yard North in Arlington, Virginia | 141,191 RSF |

REDUCTION TARGETS

Reduction Targets for Office and Warehouse Space

As a result of the EPA's relatively small real property portfolio, the agency has been able to make significant reductions in its real property footprint using a streamlined business process. Potential space reductions are identified when regional offices notify RPSS of available space. RPSS conducts assessments of available space and develops plans to reconfigure contiguous blocks of space.

The EPA also uses the space efficiency measures put forth in the President's Management Agenda Cross-Agency Priority Goal to Benchmark and Improve Mission Support Operations (Goal 12) and prioritize space reductions. These measures are (1) current portfolio SF as a percentage of the FY2012 FTF baseline, (2) rent cost per SF, (3) operation and maintenance cost per SF, and (4) SF per person. The FY2012 FTF baseline is the primary efficiency measure for agency space reductions.

Table 2 notes a space reduction of 248,854 USF from FY2012 through FY2015, a 4.21-percent reduction from the FY2012 FTF baseline. The large majority of the EPA's office and warehouse inventory is leased space, and therefore operation and maintenance costs are included in lease costs. SF per person as a measure is a strong driver for targeting potential real estate consolidations.

The EPA's space reduction efforts are driven both by reductions in agency workforce and by efforts to reduce utilization rates. In locations where a reduction in agency workforce results in space consolidation within a building already occupied by the EPA, new furniture and



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workstations are not usually purchased. In new leased or owned spaces, the EPA acquires new furniture and workstations that allow for smaller workstations and a reduction in utilization rates.

Although space reductions at the EPA have proceeded at an aggressive pace in recent years, some barriers to further space reductions and cost savings remain. One of the EPA's core mission requirements is to hold frequent public meetings in regional offices, often to solicit public input to the rulemaking process or other policy decisions. This requires the EPA to maintain large conference rooms in accessible, centrally located urban centers where office space tends to have high rental costs. This challenge is underscored by the 2015 Benchmarking Plan for EPA: Real Property Function, which shows the EPA as ranking 19 out of the 24 CFO Act agencies on the basis of rent cost per square foot for OAs (Figure 1). The EPA performs well in comparison with other agencies on all other applicable real property metrics.

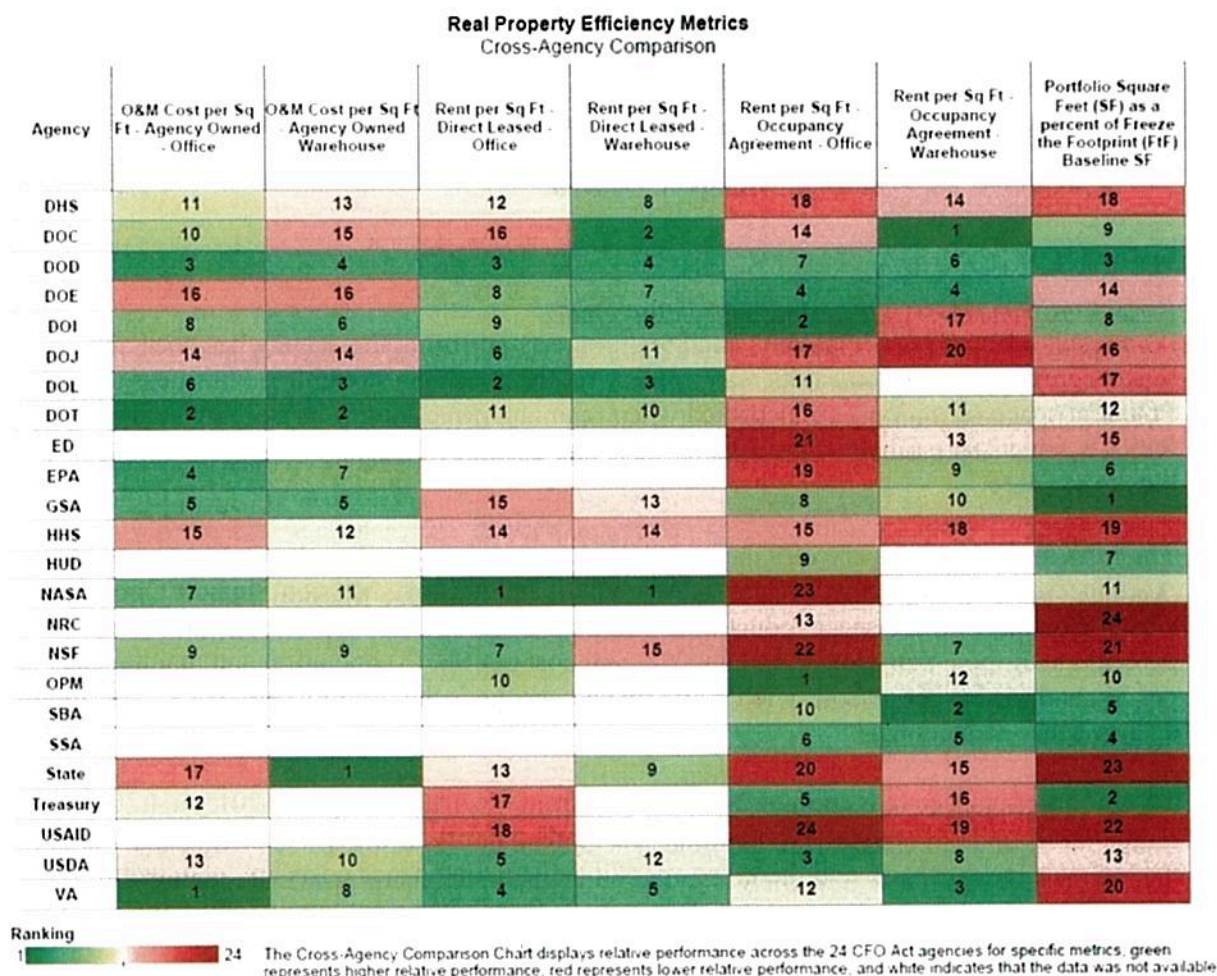


Figure 1: Real Property Efficiency Metrics, Cross-Agency Comparison (2016 data)

Under the Reduce the Footprint policy, agencies with fewer than 200 domestic owned and leased warehouses are not required to develop reduction targets for warehouse space. The EPA has a portfolio of only approximately 40 warehouses and is therefore not required to develop



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warehouse reduction targets. Nonetheless, the agency reduced warehouse space in FY2016 and wishes to highlight these efforts in this Real Property Efficiency Plan. Information on specific office and warehouse space reductions can be found in the attached Microsoft Excel Spreadsheet, "EPA RPEP FY2016_Reduce the Footprint Spreadsheet_ 11Mar2016." Domestic office and warehouse reduction targets are shown in Table 3. A warehouse release of 2,500 RSF in Boothwyn, Pennsylvania, was previously projected to occur in FY2016 but is now projected to occur in FY2018.

Table 3: RTF Domestic Office and Warehouse Net Reduction^a Targets, FY2017 – FY2021

| | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|--------------------------|-----------------------------|----------------------------|--------|--------|---------------------------|
| Office Target | 232,888 RSF ¹ | 90,883 RSF ² | | - | 57,944 SF ³ |
| Warehouse Targets | 2,700 SF ⁴ | 2,500 RSF ⁵ | - | - | 27,200 SF ⁶ |

^a Reductions are reported as a positive value.

FY2016 consolidation projects in Boston and San Francisco involve the partial elimination of leased spaces at EPA regional offices. In FY2016, EPA also consolidated space at Potomac Yard in Arlington, Virginia, to the Federal Triangle headquarters facilities. In FY2017 consolidation projects are projected to occur at regional offices in Dallas, Denver, Chicago, New York City, and Seattle. The EPA plans to conduct consolidation projects at 8 of 10 regional offices during over the next three fiscal years. These consolidations are partially the result of reduced space needs due to fewer FTEs at regional offices.

The projected FY2018 reductions in Philadelphia and Annapolis, Maryland, will both involve the establishment of new lease agreements. The Norwood Professional Building in Norwood, Ohio, is projected to be returned to GSA in its entirety in FY2018. Employees currently located in the Norwood Professional Building will be consolidated into the Andrew W. Breidenbach Environmental Research Center in Cincinnati, which is an EPA-owned complex. The EPA also plans to reduce office space in Wheeling, West Virginia, upon OA expiration in FY2018.

Disposal Targets for Owned Buildings

Under the RTF policy, the EPA is required to develop space reduction targets for owned spaces that are not offices or warehouses. The EPA constantly assesses its agency-owned inventory for opportunities to consolidate or dispose of unutilized or underutilized properties, where no security concerns exist. The EPA's efforts are evidenced by 23 acres of land in Edison, New Jersey, that were recently reported as excess to GSA.

¹ Projects in Denver, New York City, Dallas, Chicago, and Seattle

² Projects in Norwood, Ohio; Annapolis, Maryland; Philadelphia; and Wheeling, West Virginia

³ Projects in Las Vegas and Corvallis, Oregon

⁴ Project in Grosse Ile, Michigan

⁵ Project in Boothwyn, Pennsylvania

⁶ Projects in Las Vegas and Corvallis, Oregon



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All of the EPA's owned facilities that are not offices or warehouses are laboratories, which are considered special-use spaces under the RTF policy. The EPA's real property portfolio includes 33 laboratories, which are leased through GSA, leased directly by the EPA or owned by the EPA. The EPA initiated in 2012 the EPA Laboratory Enterprise Evaluation under the direction of the Office of the Science Advisor to identify opportunities to increase efficiency and effectiveness while ensuring the agency's ability to provide preeminent research, science, and technical support critical to advancing the agency's mission. This lab study assessed the utilization, condition and cost impacts of the EPA's laboratory portfolio and made recommendations for real property disposals and consolidations. To do this, the EPA formed four subcommittees that specialized in facilities, cost, workforce and science. These subcommittees were composed of senior managers from across the agency and collected a wide variety of data from EPA laboratories, including space utilization, facility condition, rent and labor costs, workforce data and alignment with agency strategic goals. Once the necessary data were collected an analysis was conducted that is depicted in Figure 2.

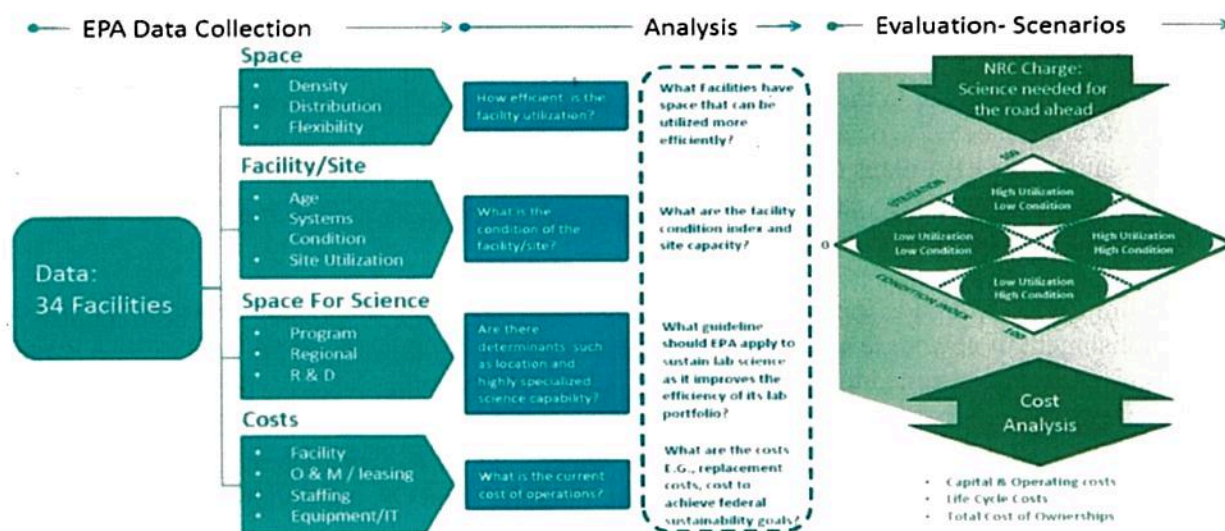


Figure 2: Laboratory Assessment and Evaluation Process

Laboratory facilities were assessed based on a variety of metrics, including the key metrics of space utilization and condition index, as shown in Figure 3. For space utilization, facilities were benchmarked against each other and comparable facilities from other organizations, including university, corporate, and government laboratories. Facilities were assigned a facility condition index (FCI) between 0 and 100 based on architectural, mechanical, electrical, and plumbing systems and a parametric estimating method that calculates renovation cost relative to replacement cost. The FCI allowed the agency to consistently rate and compare value among facilities agencywide. Facilities with an FCI below 25 were recommended for replacement, facilities with an FCI above 50 were recommended for renovation, if needed, and facilities between 25 and 50 were recommended for further evaluation. Facilities with a high FCI and



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efficient space utilization (the lower right quadrant of Figure 3) were performing well, and facilities with low condition indices and inefficient space utilization (the upper left quadrant of Figure 3) were likely candidates for disposal or consolidation.

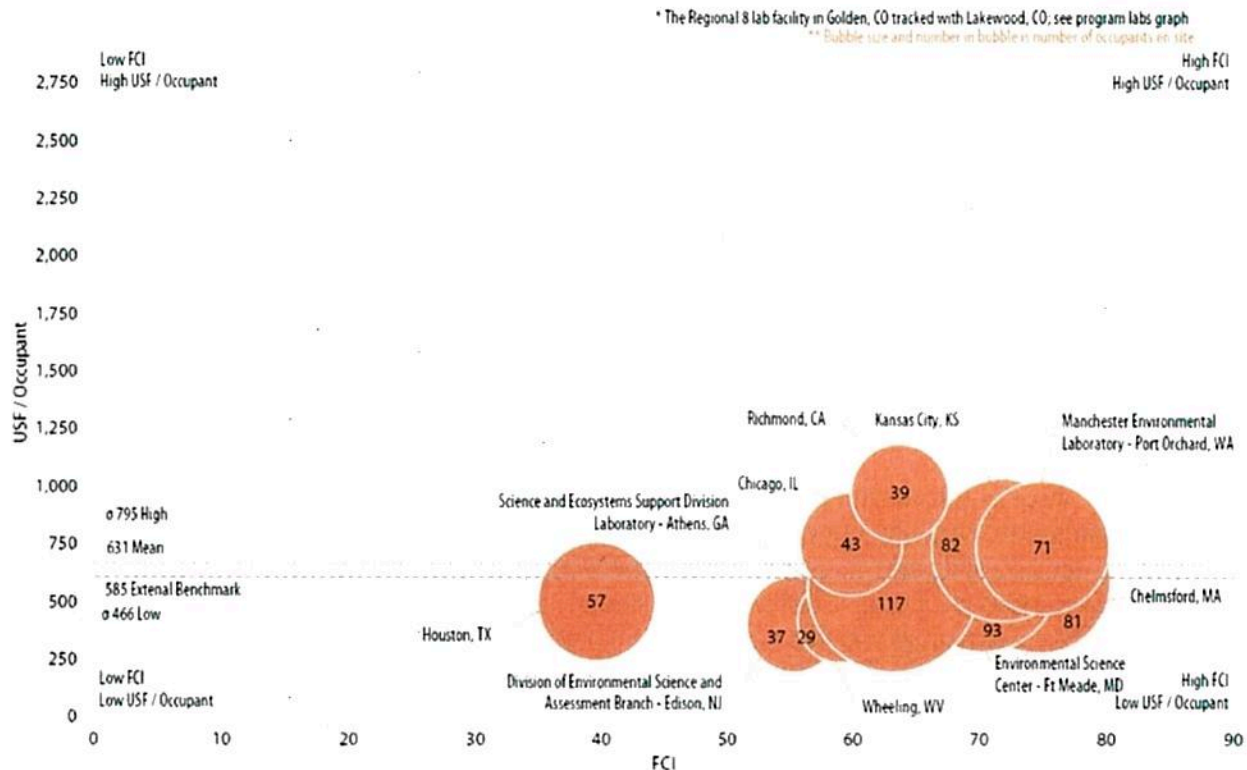


Figure 3: Comparison of Regional Laboratories, Showing Facility Condition Index and USF

Finally, the lab study put forth five space reduction scenarios that presented the EPA with a range of options for streamlining its laboratory real property portfolio. These scenarios ranged from upgrading and renovating all existing laboratories without any space reduction to reducing the laboratory portfolio to only 19 facilities. The EPA ultimately selected from these options a scenario that involves a reduction of EPA laboratory facilities from 34 to 26 nationwide and a reduction of approximately 380,000 gross square feet.

Most of the consolidations and space reductions the EPA is pursuing under the lab study plan involve moving out of leased laboratory space into EPA-owned facilities that tend to have high condition indices. As a result, most of the laboratory space reductions the EPA is executing cannot be included in the RTF targets because the targets must be for owned, non-office, non-warehouse space. Disposal targets for owned laboratory space and other non-RTF spaces are shown in Table 4 and the attached Microsoft Excel spreadsheet, "EPA RPEP FY2016_Non-Office, Non-Warehouse Disposals Only_11Mar2016." The EPA plans to consolidate the Large Lakes Research Station complex in Grosse Ile, Michigan. This consolidation will result in the net elimination of approximately 29,847 SF of EPA-owned space in FY2017. The EPA plans to dispose of the Willamette Research Station in Corvallis, Oregon, in FY2021 and consolidate



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staff to the Environmental Research Laboratory in Corvallis. This disposal will result in the release 20,918 SF of owned space, primarily laboratory space. This release was previously projected to occur in FY2020. Table 4 shows a balance of zero buildings disposed and a net increase in square footage of owned non-office, nonwarehouse space in FY2021 due to the anticipated construction of the consolidated Las Vegas facility, which is discussed below.

Table 4: Disposal Net Reduction^a Targets for Non-Office, NonWarehouse Owned Buildings, FY2016 – FY2021

| | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|-----------------------------|--------|---------------------|--------|--------|--------|---------------------|
| Disposal Target (SF) | - | 29,847 ⁷ | - | - | - | 36,137 ⁸ |
| Number of Buildings | - | 1 | - | - | - | 0 |

*Reductions are reported as a positive value.

As stated, most of the consolidations and space reductions the EPA is pursuing under the lab study plan involve moving out of leased laboratory space into EPA-owned facilities. Since FY2013, the EPA has moved out of leased laboratory space for the Environmental Chemistry Laboratory in Bay St. Louis, Mississippi, for a total space reduction of 26,785 USF and the Reproductive Toxicology Facility Laboratory in Durham, North Carolina, for a total net space reduction of 21,700 USF. The EPA is actively planning further reductions of leased laboratory space (shown in

Table 5). A planned consolidation of the Central Regional Laboratory in Golden, Colorado, and the National Enforcement Investigations Center in Lakewood, Colorado, in FY2018 is projected to result in a total reduction of 44,400 RSF (see Table 5).

The EPA is also planning the consolidation of all existing office and laboratory functions in Las Vegas into a single facility. The consolidated facility, to be comprised of office, warehouse, laboratory, and other spaces, will total 192,553 SF and is estimated to be completed in FY2021. Existing EPA footprint in Las Vegas totals 203,394 SF; as a result, the consolidated facility will result in a projected total space reduction of 10,841 SF. This net reduction is not shown explicitly in

Table 3, Table 4 and

Table 5 due to the move from leased space to owned space and existing space use classifications. The EPA plans to eliminate a portion of leased laboratory space (25,399 RSF) from the UNLV Harmon Avenue Complex in FY2016 before eliminating the remainder in FY2021.

⁷ Large Lakes Research Station in Grosse Ile, Michigan

⁸ National Exposure Research Laboratory at UNLV in Las Vegas and Willamette Research Station in Corvallis, Oregon



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Table 5: Planned Net Reductions^a of Leased Laboratory Space, FY2016 – FY2021

| | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|------------------------|-------------------------|--------|--------------------------|--------|--------|--------------------------|
| Reduction (RSF) | 25,399 RSF ⁹ | - | 44,400 RSF ¹⁰ | - | - | 67,301 RSF ¹¹ |

^a Reductions are reported as a positive value.

Maintenance of the FTF Baseline

The EPA's FTF FY2012 baseline and FY2013 through FY2015 performance are shown in Table 6. FTF totals are based on the EPA's FRPP submissions and GSA OAs.

Table 6: FTF Summary, FY2012 – FY2015

| FTF Milestone | Space |
|---|--------------------------|
| FTF FY2012 Baseline | 5,906,847 SF |
| FY2013 FRPP Submission | 363,348 SF |
| FY2013 GSA OAs | 5,451,973 USF |
| FY2013 FRPP FTF Offset | 0 SF |
| FTF FY2013 Total | 5,815,321 SF |
| FY2014 FRPP Submission | 406,948 SF ¹² |
| FY2014 GSA OAs | 5,264,846 USF |
| FY2014 FRPP FTF Offset | 0 SF |
| FTF FY2014 Total | 5,671,794 SF |
| FY2015 FRPP Submission | 408,465 SF |
| FY2015 GSA OAs | 5,249,528 USF |
| FY2015 FRPP FTF Offset | 0 SF |
| FTF FY2015 Total | 5,657,993 SF |
| Total FTF Reduction, FY2012 – FY2015 | 248,854 SF |

The EPA's FTF milestones are derived from FRPP submission and GSA OAs. The EPA reported no FTF Offsets from FY2012 to FY2015 because no EPA office or warehouse assets were

⁹ National Exposure Research Laboratory at UNLV in Las Vegas

¹⁰ Central Regional Laboratory in Golden, Colorado, and the National Enforcement Investigations Center in Lakewood, Colorado

¹¹ National Exposure Research Laboratory at UNLV in Las Vegas

¹² Increase reflects Annex addition at Research Triangle Park, North Carolina



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reported as excess to GSA during this time. Total FTF reductions from the FY2012 baseline through FY2015 are 248,854 square feet.

Space Design Standard for Future Reductions

On July 18, 2016, as required by OMB Management Procedures Memorandum 2015-01: Implementation of OMB Memorandum M-12-12 Section 3: Reduce the Footprint, the EPA established Order 1000.10 Agency Office and Workstation Standards. This document establishes EPA's policy for office and workstation maximum size. The goal of this order is to optimize the agency's office/workstation space for all new/renovated construction and new leasing activities.

COMPLIANCE INTERNAL CONTROLS

The EPA's real property portfolio is tracked using an internal database called the Facility Management System. All decisions to acquire new owned or leased space and to consolidate, collocate, or dispose of space are authorized by the director, Office of Administration. The number of planned and active acquisition, disposal and consolidation projects at any given time at the EPA is small enough that the projects can be readily managed by a small team of real estate experts within RPSS. In general, the EPA's internal process for identifying and prioritizing space reductions is to collect data from EPA facilities, identify those facilities with poor utilization rates and execute disposals, consolidations, or collocations to increase portfolio-wide utilization rates. Data is collected annually from regional and program offices via a B&F data call letter that identifies repair and improvement projects and determines funding levels needed to execute consolidations. Using the master plan as a guide for their requests, the facility managers develop a prioritized list of projects for the next five budget cycles. Each program or regional office blends the requests from all facilities under its purview into a single prioritized list submitted to the Office of Administration for review, verification, and final ranking of all submissions.

Facility master plans are essential to the EPA's compliance with the RTF policy. Facility master plans are in place for each EPA-owned facility and are updated every 5 to 10 years. The facility master plans are integrated with the agency's mission and describe and assess the major characteristics of the property. The EPA incorporates energy and other sustainable design and operational considerations into its facility master plans. The following components are incorporated into sustainable master planning:

- Mission requirements;
- Long-term energy modeling;
- Long-range mechanical system/energy performance issues;
- Space utilization;
- Future capacity; and
- Condition assessment.

Facility master plans also contain strategies for the utilization, capital improvement, and major repairs, retirement and disposal of the properties.



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FRPP DATA QUALITY IMPROVEMENT

Because of the EPA's small inventory of 20 owned facilities, the agency's FRPP data are relatively static and therefore readily manageable. Facility managers from across the agency enter data for their respective facilities directly into FMS, and this data is validated when space surveys are conducted as part of the master planning process, which occurs every 5 to 10 years for all owned facilities. The EPA has identified potential improvements to FMS by giving the tool the ability to conduct data audits and track user inputs. The agency is exploring ways to accomplish these improvements.

In addition to FRPP data, which documents EPA-owned space, the EPA collects and manages data on leased facilities using FMS. The EPA also uses Rent on the Web, which is an online GSA tool for federal agencies to view cost and space data from GSA-leased and GSA-owned facilities. The EPA works with GSA to resolve data discrepancies when they arise, for both validation before and verification after annual data submissions.

CHALLENGES AND IMPROVEMENT OPPORTUNITIES

While the EPA has successfully pursued an aggressive space reduction strategy in recent years, the agency continues to face a variety of challenges in reducing its real property portfolio. These challenges include the following:

- **Cost of furniture.** The EPA must make significant investments in new furniture and structural reconfigurations to execute office consolidations that comply with new space design standards.
- **Identification of mission-critical, non-office space.** The EPA uses a variety of special-use space within office spaces. Most, if not all, of these special-use spaces are currently categorized as office space in the FRPP. These special-use spaces include records storage rooms, Emergency Operations Centers and large conference rooms for public meetings. Because FRPP counts these spaces as office space, the utilization rates in many facilities are high as a result.
- **Security considerations.** Some EPA offices require enhanced security and cannot allow the general public to access the same floor in an EPA-occupied building. These requirements can make it difficult or impossible for the EPA to create blocks of marketable space to release.
- **Location-dependent missions.** A number of EPA laboratories have missions that are highly geographically dependent, which limits the agency's ability to manage these real property assets via relocation options. For example, the National Vehicle Fuel Emissions Laboratory is specifically sited in Ann Arbor, Michigan, because of its proximity to the headquarters of leading auto manufacturers in Detroit. A number of laboratories, including the Gulf Ecology Division, Atlantic Ecology Division, Pacific Coastal Ecology Branch and Midwest Ecology Division, are located within the ecosystem they are charged to study, also limiting relocation options.
- **Statutory requirements.** Statutory requirements under the Energy Independence and Security Act of 2007 have necessitated the acquisition of additional space at the National Vehicle and Fuel Emissions Laboratory in Ann Arbor to install additional dynamometers and other equipment associated with vehicle-emissions testing.



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- **Environmental due diligence process.** Disposing of laboratories often requires a rigorous EDDP because of the hazardous materials used in many laboratory processes. EDDP activities can be costly and time consuming, and therefore place additional constraints on setting disposal targets. In addition, the disposal of owned laboratory space often involves consolidation with other existing laboratory facilities. This places constraints on disposal because space in existing facilities often have to be modified or built out to consolidate new functions and staff into that space.
- **Historic buildings.** Some EPA offices are located in historic buildings, such as the William Jefferson Clinton Federal Building, which limits the EPA's ability to alter walls, corridors and other interior partitions to consolidate space.
- **Limited resources.** The EPA is limited in both funding and staffing. Also, tenant improvement costs for new spaces do not incorporate shell costs, which hinders the EPA's ability to achieve legislative and executive-order requirements for sustainability and energy reductions.

The EPA recognizes a number of opportunities that can be seized by the agency in the coming years to enhance the efficiency and cost savings of the agency's real property portfolio. The EPA has in the past taken advantage of opportunities to leave leased commercial space and relocate in federal buildings, often co-locating with other agencies. Opportunities to make such relocations are limited because EPA regional offices are often too large to fit entirely within federal buildings. However, the agency has, in recent years, successfully moved into federal buildings in Boston and San Antonio.

In the coming years the EPA will continue to build on the substantial progress it has already made reducing its real property footprint through reductions in office, warehouse and laboratory space. The EPA not only will seek to reduce space where utilization rates are low by historic standards but also will continue to implement new space design standards that are designed for a mobile, 21st century workforce.

ATTACHMENTS:

Reduce the Footprint Spreadsheet
Non-Office and Non-Warehouse Disposals Spreadsheet
Ten (10) OMB Project Evaluation Sheets

A handwritten signature in blue ink, appearing to read "A. Stanley Meiburg".

A. Stanley Meiburg
Acting Deputy Administrator

A handwritten date in blue ink, appearing to read "November 17, 2016".

Date